

Tests ordered for manager in BART scandal

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By Gene Ayres
The Tribune

SAN FRANCISCO — Hilario "Frank" Gomez, one of three of BART's maintenance managers charged in a fraud and kickback scandal, will undergo an examination to determine whether he is mentally competent to stand trial.

U.S. Magistrate Steele Langford yesterday ordered the mental exam at the request of Gomez' attorney, Jerrold Ladar.

Langford set a hearing for Oct. 28 to receive a report on the test.

"Based on my communication with my client and his doctor's evaluation, we had a question whether he could cooperate in his own defense," Ladar said.

Additional charges filed

Meanwhile, additional charges were filed against another of the managers, contained in a six-count indictment returned against Helder Simas, 46, of Concord, formerly charged — as is Gomez — with a single count of taking one bribe in exchange for awarding a maintenance contract.

The new counts allege that Simas conspired with Gomez in soliciting a kickback in exchange for awarding a \$9,650 contract to James Murphy's Regal Building Maintenance firm, of Walnut Creek.

Earlier court papers had identified Murphy as the businessman who, mad at being solicited, had notified and cooperated with the FBI's investigation in the case.

Simas took a \$2,000 bribe and also told Regal to bill BART for another \$1,200 in personal items for Simas, the count alleges.

Four other counts of mail fraud allege that Simas mailed BART checks to another FBI front company doing business with the transit agency to pay for personal items the firm had purchased for his personal use.

The checks were for \$2,500, \$1,037, \$382 and \$1,542, according to the indictment.

The counts against Simas carry penalties totaling 35 years in prison.

Gomez, 55, of Martinez, and Simas are two of the three BART managers charged with operating a contract kickback scheme after the FBI ended a three-year undercover sting investigation of BART maintenance contracting on Aug. 11.

The two have been placed on administrative leave from the transit agency.

The other accused manager, Arnold J. Flores, 45, of Richmond, has resigned.

Gomez remains charged with only one count but charges against Flores earlier had been widened to three counts of accepting at least 16 bribes and one count of income tax fraud. He has agreed to plead guilty to all four counts.

Gomez, who has been in and out of a hospital since the charges were filed, has yet to be arraigned on his single charge which carries a possible penalty of up to 20 years in prison.

In it, he is accused of soliciting and taking a \$2,000 bribe from one of the FBI's five front maintenance firms operating in the sting.

The three managers had authority to grant maintenance contracts under \$10,000 without competitive bidding.

BART manager is indicted

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on 25 counts in kickbacks

By Gene Ayres
The Tribune

SAN FRANCISCO — A federal grand jury yesterday returned a 25-count indictment against Hilario 'Frank' Gomez, one of the Bay Area Rapid Transit managers originally charged when the district's bribery-kickback scandal broke last August.

Gomez, 55, of Martinez, a maintenance manager, originally was charged in a complaint along with Arnold J. Flores, 45, of Richmond, for extortion and soliciting a \$2,000 bribe from an FBI undercover agent.

Since then, Flores cooperated with investigators and entered an agreement with the government, pleading guilty to four counts that could bring him up to 33 years in prison. He is set for sentencing early in January.

If convicted of all counts in

yesterday's indictment, Gomez could be sentenced to as many as 173 years in prison.

Gomez, suspended from his \$47,000-a-year job, has received court delays for health reasons and has obtained a hearing on his mental competence to stand trial.

A psychiatrist has examined Gomez, who is free on \$500 bail, and has returned his findings to U.S. Magistrate Steele Langford, who has not revealed them. The competency hearing is set for Jan. 3.

Along with Gomez and Flores, another BART middle manager, Helder Simas, also has been charged in a six-count indictment. Also, Paul Medina, a Santa Clara contractor, has been charged with paying an \$800 bribe to Flores.

The three BART managers

had authority to grant maintenance contracts up to \$10,000. The FBI set up six phony 'maintenance' companies for two years in a sting operation after an irate contractor informed them that the BART managers were soliciting bribes and contract kickbacks.

Yesterday's indictment charges Gomez with accepting 10 bribes totaling \$6,420 between Nov. 5, 1985, and Dec. 11, 1987, with 14 counts of mail fraud and for filing a false 1987 tax return.

The tax return declared total income as \$67,613 but did not include \$3,837.50 in bribes and kickbacks, the indictment charges.

Jerrold Ladar, Gomez's lawyer, said he was not surprised by the indictment and declined to comment on it.

Ex-BART manager in bribery scam admits to greed

SAT JAN 7 1989

Another accused transit official found mentally incompetent to stand trial

By Michael Collier
The Tribune

SAN FRANCISCO — One BART manager involved in a bribery scheme admits he succumbed to greed, while another accused transit manager has been declared unfit to stand trial.

Former maintenance manager Arnold Flores, 45, of Richmond, has pleaded guilty to taking bribes and kickbacks totaling \$16,000, and is to be sentenced Monday by a federal judge.

In a pre-sentencing report, Flores, who has quit his \$57,000-a-year job, said he took kickbacks and bribes from contractors because he felt "unappreciated for all the extra things" he did for BART.

Those duties included 12-hour days spent trying to get his subordinates to do their jobs properly, the report states.

Flores, the lowest-paid BART manager in the Richmond rail yard, responded by "taking small amounts of money to recompense himself as he felt the company was not being fair," the report says.

Then, in Flores' words, "Things seemed to snowball, and I got myself into a vicious cycle of my own making. Part of that cycle was undeniably, greed."

The report, done by a private San Francisco firm, advises that Flores be placed on five years' probation and ordered to perform at least 500 hours of community service a year.

One voluntary service option would have Flores spend four hours a week cleaning graffiti from BART trains, the report suggests.

The pre-sentencing report also advises that Flores be required to repay BART and the FBI, to whose undercover agents

he paid bribes and kickbacks in a three-year sting operation.

Another middle manager indicted in the scam, Hilario "Frank" Gomez, 55, of Martinez, has been declared mentally incompetent to face similar bribery and kickback charges, it was revealed yesterday.

An evaluation by a court-appointed psychiatrist concludes that Gomez, who worked with Flores in BART's maintenance department, exhibits "suicidal and homicidal tendencies," according to federal prosecutor Charles B. Burch.

U.S. Magistrate Frederick J. Woelflen agreed yesterday to give the court doctor two weeks in which to review FBI tapes of conversations between Gomez and undercover agents.

Gomez has been seeing a private psychiatrist since 1983 for job-related stress problems, said Jerold Ladar, his San Francisco attorney.

Gomez, placed on state-paid disability leave from the transit agency before criminal charges were filed against him, remains on leave.

He has been indicted on 25 counts for accepting bribes and kickbacks totaling \$6,500.

In a related matter, a former BART contractor has pleaded guilty to charges he funneled nearly \$100,000 in transit funds to Michael Sharpe, chief of BART's real estate department.

Roderick Brooks, a former bank loan officer on probation for a 1987 federal bank fraud conviction, has agreed to testify against Sharpe, 37, the central figure in an FBI probe of his office.

Sharpe, hired by BART a month after a fraud conviction in Connecticut, has agreed to an unpaid leave pending the outcome of his case.

Accused BART manager declared unfit for trial

TUE FEB 28 1989

SAN FRANCISCO — A BART maintenance manager accused of bilking the transit district out of more than \$6,000 again has been declared unfit to stand trial, and charges against him could be dropped pending further psychiatric review. Hilario "Frank" Gomez, 55, of Martinez, was ordered by a federal magistrate to be committed to a mental hospital in Los Angeles for up to three months. If federal authorities still deem him incompetent after the hospital stay, Gomez could be exonerated, said his lawyer, Jerrold Ladar. Gomez is one of three BART maintenance managers and a private janitorial contractor arrested on fraud charges after a three-year FBI sting operation in which agents posed as transit district contractors. He is charged with extorting bribes and kickbacks totaling \$6,420 between 1985 and 1987. Gomez has been on leave for stress from BART since before his arrest. Government doctors have twice examined Gomez and declared him unable to stand trial.

Manager accused in BART scam incompetent for trial

TUE JUN 27 1989
By Michael Collier
The Tribune

SAN FRANCISCO — One of three BART maintenance managers charged with bribery after an FBI probe of graft and corruption at the public agency has again been declared incompetent to stand trial.

After three months of observation, Hilario "Frank" Gomez, 56, was diagnosed by doctors at a federal medical facility in Minnesota to be mentally unfit for trial.

Gomez, accused of accepting \$6,240 in bribes, remains suspended from his job. He has returned to his Martinez home, free on \$500 bail. His mental state will be evaluated again in six months.

Assistant U.S. Attorney Ben Burch said at a hearing yester-

day in U.S. District Court that he may seek to drop a 24-count indictment against Gomez if things don't change.

"If the doctors' reports are to be believed, Mr. Gomez has chronic problems that may be insurmountable," Burch said.

Gomez, who was hospitalized for depression after his arrest in August and who was declared unfit for trial earlier this year by a private doctor, remains in a "fragile" emotional state, said his lawyer, Jerrold Ladar.

Ladar said government doctors concluded that much of Gomez's stress was brought on by the indictment, which also charges him with mail fraud and filing false income tax returns.

Two other BART maintenance

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managers and two private contractors have been convicted in the bribery scam, in which contractors were made to pay bribes in exchange for jobs.

Arnold Flores, one of the convicted managers, was sentenced to five years in federal prison. The other, Helder Simas, faces

sentencing next month.

In a related investigation, BART's former real estate manager and two contractors were charged in a kickback scheme in which the manager, Michael M. Sharpe, embezzled about \$150,000 in public funds. Sharpe may be sentenced next week under terms of a plea bargain.

FBI JAN 19 1990

Charges against ex-BART manager dropped

SAN FRANCISCO — Bribery charges against a former BART maintenance manager arrested in an FBI sting operation have been dropped after the manager was declared incompetent to appear in court.

Hilario "Frank" Gomez, 56, of Martinez, was one of three BART managers and two contractors charged in 1988 with taking bribes and giving kickbacks in exchange for maintenance contracts.

The investigation involved undercover FBI agents who set up phony maintenance firms to gather evidence of the scam.

Gomez, accused of accepting \$16,000 in bribes, was declared mentally incompetent by a panel of psychiatrists. Charges were dropped this week by U.S. District Judge Marilyn Hall Patel.

Gomez had been confined to a federal mental hospital near Los Angeles for observation since early last year.

The four other men charged in the scheme have been convicted and sentenced.

By The Tribune staff and news services